

Reductions to Compensate Unfunded Economics
Section 219
Public Act 345 of 2004

Pursuant to Public Act 345 of 2004, Section 219, the Department of Corrections (DOC) is required to provide to the Senate and House Appropriations Subcommittees on Corrections, and the Senate and House Fiscal Agencies, a reduction plan to compensate for the employee related savings reduction included within the Act. This reduction was calculated to include a four-hour per pay-period Banked Leave Time (BLT) program for all full-time employees of the Department and 5% reduction for part-time employees of the Department. Currently, the Office of the State Employer (OSE), which acts as the sole negotiator for the State of Michigan employee unions, is still in negotiations for changes in the collective bargaining agreements and so final resolution has not been reached.

Currently, the OSE has requested that the Civil Service Commission extend the BLT program for Non-Exclusively Represented Employees (NEREs) for seven pay-periods effective October 9, 2004 at a reduced rate of 3.2 hours per pay-period for full-time employees and a 4% reduction for part-time employees. (http://www.michigan.gov/mdcs/0,1607,7-147-6877_8152_9795-101847--,00.html) This program would continue until January 15, 2005 at which time payroll concessions should be known for all collectively bargained employees if it is approved by the Civil Service Commission at its October 21, 2004 meeting. The OSE has indicated its intention to extend this program for the remainder of Fiscal Year 2005 based upon the results of the negotiations.

In the event that concessions cannot be negotiated with each of the various represented employee groups, the OSE and the DOC anticipate that all employees will share equally in the economic concessions needed to achieve savings. The DOC, with agreement with the OSE, will take the following steps to insure that the \$46,342,500 in employee-related savings will be met.

For those unions which fail to agree to negotiated concessions with the OSE, the DOC will impose a reduced work schedule. The reduced work schedule may include unpaid lunches or a reduced work schedule of less than eight hours per day, less than 40 hours per week and less than 80 hours per pay period. Schedules will be adjusted only to meet the employee-related savings for their bargaining unit.

For those unions where reduced work schedules are not an option, the DOC will implement layoffs for that bargaining unit in order to ensure that employee related savings are shared equally across all bargaining units.

No other layoffs, prison closures, program cuts or prisoner releases are anticipated to meet the mandated savings.